

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

v.

MICHAEL MANN,

Defendant.

1:20-CR-199 (LEK/DJS)

PIONEER BANK and CACHET
FINANCIAL SERVICES,

Third-Party Claimants.

STIPULATION AND ORDER OF PARTIAL DISMISSAL

IT IS HEREBY STIPULATED AND ORDERED, by and between the undersigned and the attorneys of record for Third-Party Claimant Pioneer Bank (“Pioneer”) and the United States of America (the “Government,” and collectively with Pioneer, the “Parties”), that:

1. No Party hereto is an infant or incompetent for whom a committee has been appointed and no person not a Party has an interest in the subject matter of this Stipulation.
2. On August 26, 2020, this Court entered a Preliminary Order of Forfeiture for Specific Property & Money Judgment that forfeited all right, title, and interest held by Michael Mann in specific property (the “Subject Property”), including the following property:
 - a. The Bank of America account held by ValueWise Corporation bearing an account number ending in 9506 (“ValueWise BOA Account 9506”) with a balance of \$1,444,975.16;

- b. The Bank of America account held by ValueWise Corporation bearing an account number ending in 6843 (“ValueWise BOA Account 6843”) with a balance of \$5,363,936.77;
- c. The Bank of America account held by Heutmaker Business Advisors LLC bearing an account number ending in 6103 (“Heutmaker BOA Account 6103,” and collectively with the other two Bank of America accounts, the “Bank of America Accounts”) with a balance of \$7,713,562.99; and
- d. 30,000 common shares of Pioneer Bancorp Inc., (the “Pioneer Shares”) owned by MyPayrollHR.com LLC.

3. On May 14, 2021, Pioneer filed its Verified Petition of Claim to Property Subject to Preliminary Order of Forfeiture (“Petition”), ECF No. 54, timely asserting the following claims as a purchaser of the property under 21 U.S.C. § 853(n)(6)(B):

- a. A claim as a bona fide purchaser for value of the right, title, or interest in the Bank of America Accounts pursuant to N.Y. UCC § 4-208 (the “First Claim”), *see* ECF No. 54 at 3–10; and
- b. A claim as a bona fide purchaser for value of the right, title, or interest in the Bank of America Accounts and the Pioneer Shares pursuant to Pioneer’s Loan and Security Agreements with Mann’s companies (the “Second Claim”), *see* ECF No. 54 at 10–15.

4. In response to the Government’s Motion to Dismiss Pioneer’s Petition (ECF No. 65), on October 14, 2022, Magistrate Judge Daniel J. Stewart recommended that the Government’s Motion to Dismiss be granted in part and denied in part. *See* ECF No. 132 at 32.

5. On April 5, 2024, this Court “affirmed Judge Stewart’s conclusions, but based on different reasoning.” ECF No. 157 at 24. The Court allowed Pioneer’s First Claim to go forward under 21 U.S.C. § 853(n)(6)(B). ECF No. 157 at 21.

6. Following the Government’s production of documents in 2024, Pioneer no longer believes the facts it learned in discovery support its First Claim under N.Y. UCC § 4-208.

7. On November 1, 2024, Pioneer filed a Motion for Leave to File an Amended Petition. *See* ECF No. 192. Pioneer’s proposed Amended Petition proposed to withdraw Pioneer’s First Claim and sought to add a new claim (the “Proposed Amended Claim”).

8. On February 27, 2025, Magistrate Judge Daniel J. Stewart denied Pioneer’s Motion to File an Amended Petition, holding that Pioneer could not amend its pleadings to include the Proposed Amended Claim due to undue delay (*see* ECF No. 210 at 5–7) and that Pioneer’s Second Claim was previously dismissed by the Court in its Order adopting Magistrate Judge Stewart’s Report and Recommendation, *see id.* at 8–11.

9. Because the Court has denied Pioneer’s Motion to Amend, which sought to withdraw Pioneer’s First Claim brought pursuant to 21 U.S.C. § 853(n)(6)(B) and N.Y. UCC § 4-208, and because Pioneer does not seek to pursue the First Claim, the Parties agree to dismiss, and the Court hereby dismisses, the First Claim (and only the First Claim), with prejudice.

10. The Parties agree that for purposes of appeal, this stipulation to dismissal of the First Claim with prejudice does not constitute a final judgment in this ancillary proceeding, which will be entered only following the final disposition of the petition of Third-Party Claimant Cachet Financial Services, Inc. (“Cachet”). *See* Fed. R. Crim. P. 32.2(c)(3) (“If multiple third-party petitions are filed in the same case, an order dismissing or granting one petition is not appealable

until rulings are made on all the petitions, unless the court determines that there is no just reason for delay.”).

11. Once a final, appealable judgment is entered by this Court following an adjudication on Cachet’s petition, nothing in this Order shall be construed to limit or narrow Pioneer’s rights to appeal the Court’s prior Orders, including the April 5, 2024 Order partly dismissing Pioneer’s Petition and the February 27, 2025 Order denying Pioneer’s Motion to Amend.

Dated: April 23, 2025

**UNITED STATES DEPARTMENT OF
JUSTICE**

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Counsel for Pioneer Bank

SO ORDERED:

Judge Lawrence E. Kahn
Senior U.S. District Judge

Dated: _____